

CORE ADMINISTRATIVE SYSTEMS – SELF ASSESSMENT TOOL

Compliance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (2 CFR §200)

The Executive Director/Chief Executive of the Indian housing organization, is responsible for ensuring that the organization has the necessary business management systems in place which will ensure the organization meets ongoing compliance with the minimum administrative requirements of 2CFR 200 and the applicable exceptions of 24 CFR 1000.26.

On December 26, 2013, the Office of Management and Budget (OMB) issued final guidance that consolidates, supersedes, and streamlines requirements in OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133, and the guidance in Circular A-50 on Single Audit Act follow-up. OMB has now consolidated these Circulars into new guidance that is now codified in **2 CFR Part 200**. All Federal agencies were required to make conforming technical changes to their regulations to implement the new 2 CFR Part 200 by December 26, 2014. Grantees of HUD funds are required to comply with these regulations.

The following assessment tool is intended to be a job aid for Executive Directors and can be used to provide focus and dialogue between the Chief Executive and responsible manager on the required business management systems the housing organization must have in place to ensure compliance with administrative requirements required of 2 CFR PART 200 and the applicable exceptions in the NAHASDA regulations 24 CFR Part 1000 for Indian Housing Block Grant (IHBG) funding.

1. [PLEASE NOTE: This tool is provided as a job aid and wording of standards has been summarized in some cases. If errors or omissions are discovered, user should rely on the actual published version of 2 CFR 200, found at www.ecfr.gov/]

The assessment tool covers the following standards:

Financial Management

Internal Controls

Property Management

Procurement Management

Performance and Financial Monitoring Reporting

Records Management

Cost Principles

Audit

INSTRUCTIONS: In a two-step assessment process, the assessment is first completed by the responsible manager for the specific compliance area (i.e. the Finance Officer for the Financial Standards etc.), and in the second step, the assessment rating is discussed and demonstrated by the responsible manager to the Executive Director. This process will allow the Executive Director to complete a deeper dive into the requirements and engage in meaningful discussions with his/her management team to 1) ensure effective communication about the compliance requirement and most importantly, 2) to discover important deficiencies so that appropriate action plans can be developed to mitigate the root causes of deficiencies and improve overall internal controls.

The self-assessment rating for each listed standard is as follows:

FC = Full Compliance

PC = Partial Compliance/meaningful exceptions

NC = Non Compliance

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Statutory and national policy requirements	2 CFR 200.300 (b)				
A management system is in place to ensure a FFATA sub-award report is filed (via the FFATA Sub-award Reporting System (FSRS)) by the end of the month following the month in which Tribe/TDHE awards any sub-grant equal to or greater than \$25,000, unless exempted under Appendix A I. d. of 2 CFR 170.	2 CFR 170				
A management system is in place to ensure that the tribe/TDHE reports on the total compensation and names of top five executives (applicable only if more than 80% of annual gross revenues from the Federal government, and those revenues are greater than \$25M annually <u>and</u> compensation information is not already available through reporting to the SEC).	2 CFR 170				
Tribe/TDHE has requested and been provided DUNS number? <u>AND</u> has an active registration in Systems Award Management (SAM) for Central Contractor Registration requirement?	2 CFR 25				
Staff person assigned responsibility to update DUNS and SAM on annual basis?	Recommended Internal Control				
Prohibition of reprisals in place for whistleblower protection?	41 U.S. Code § 4712				
A management system to ensure timely and written disclosure to HUD of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.	2 CFR 200.113 and Appendix XII of 2 CFR 200				

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT:					
Financial Management	2 CFR 200.302				
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<u>Accurate, current, and complete</u> disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§200.327 Financial reporting and 200.328 Monitoring and reporting program performance [See PERFORMANCE AND FINANCIAL MONITORING AND REPORTING assessment section below]	2 CFR 302 (b) (2)				
<u>Records that identify adequately</u> the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. [<i>Recommended but not required, see also the attached the DCAA ACCEPTABLE ACCOUNTING SYSTEM ASSESSMENT TOOL which ensures the tribe/tdhe meets/exceeds this standard</i>]	2 CFR 302 (b) (3)				
<u>Effective control over, and accountability</u> for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes [See INTERNAL CONTROLS assessment section below]	2 CFR 302 (b) (4)				
<u>Comparison of expenditures</u> with budget amounts for each Federal award.	2 CFR 302 (b) (5)				
<u>Written procedures</u> to implement the requirements of §200.305 Payment.	2 CFR 302 (b) (6)				

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<u>Written procedures</u> for determining the allowability of costs in accordance with Subpart E Cost Principles of 2 CFR 200 and the terms and conditions of the Federal award.	2 CFR 200.302 (b) (7)				
The financial management and accounting system is sufficient to demonstrate compliance with HUD cost limits <u>by tracking and reporting on the Total Development Cost (TDC)</u> which is the sum of all costs for a project including all undertakings necessary for administration, planning, site acquisition, demolition, construction or equipment and financing (including payment of carrying charges) and for otherwise carrying out the development of the project, <u>excluding off site water and sewer.</u>	§ 1000.302 24 CFR 1000.156 - 162				
Internal controls. The tribe/TDHE must:	2 CFR 200.303				
<u>Establish and maintain</u> effective internal control over the Federal award that provides reasonable assurance that the tribe/TDHE is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). [STOP HERE AND COMPLETE ATTACHED COSO INTERNAL CONTROL ASSESSMENT AND INSERT COMPLIANCE RATING HERE]	2 CFR 200.303 (a)				

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<u>Comply with</u> Federal statutes, regulations, and the terms and conditions of the Federal awards.	2 CFR 200.303 (b)				
<u>Evaluate and monitor your compliance</u> with statute, regulations and the terms and conditions of Federal awards.	2 CFR 200.303 (c)				
<u>Take prompt action</u> when instances of noncompliance are identified including noncompliance identified in audit findings	2 CFR 200.303 (d)				
<u>Take reasonable measures</u> to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.	2 CFR 200.303 (e)				
Payment	2 CFR 200.305				
<u>Maintains written procedures</u> that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity,	2 CFR 200.305 (b) (1)				
The written procedure specifies the timing and amount of advance payments to be a maximum of <u>3 days</u> . [NOTE while the regulation states “...must be as close as is administratively feasible to the actual disbursements” HUD expects that this time limit is 3 days – see PIH 1996-33, and PIHA 98-03]	2 CFR 200.305 (b) (1) ONAP PG No. 2014-07				

Matching Funds					
Have financial management policies that recognize that NAHASDA grant funds may be used as matching funds to obtain and leverage funding, including any Federal or state program and still be considered an affordable housing activity.	24 CFR 1000.122				

PROPERTY STANDARDS:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Insurance					
Has a management system in place which ensures the tribe/TDHE provides adequate insurance either by purchasing insurance or by indemnification against casualty loss by providing insurance in adequate amounts to indemnify the tribe/TDHE against loss from fire, weather, and liability claims for all housing units owned or operated by the tribe/TDHE.	24 CFR 1000.136 (a)				
Does not require insurance on units assisted by grants to families for privately owned housing if there is no risk of loss or exposure to the tribe/TDHE or if the assistance is in an amount less than \$5000, but <u>does</u> require insurance when repayment of all or part of the assistance is part of the assistance agreement (i.e. binding commitments for useful life).	24 CFR 1000.136 (b)				
Has a system in place to ensure that all contractors and subcontractors provide insurance covering their activities OR negotiate adequate indemnification coverage to be provided by the tribe/TDHE in the contract.	24 CFR 1000.136 (c)				
Has a system in place to ensure the use of Federal financial assistance for acquisition and construction purposes (including rehabilitation) is <u>not permitted</u> in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, <u>unless</u> the following conditions are met: <ul style="list-style-type: none"> • community in which the area is situated is participating in the National Flood Insurance Program, and • flood insurance on the building is obtained 	24 CFR 1000.38 24 CFR 1000.38 (a) 24 CFR 1000.38 (b)				

PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Disposition of Current Assisted Stock (CAS)	24 CFR 1000.134				
Have a system in place to require a <u>written analysis of the proposed action</u> to demolish or dispose of CAS which meets one of the four criteria of 24 CFR 134 (a) (1-4)	24 CFR 1000.134 (a) (1-4)				
Have a system in place to ensure no action to demolish or dispose of the property, other than performing the written analysis, can be taken until <u>HUD has been notified in writing</u> of the tribe/TDHEs intent to demolish or dispose of the housing units. Further, the system requires the tribe/TDHEs written notification to HUD must set out the analysis used to arrive at the decision to demolish or dispose of the property and may be set out in a tribes/TDHEs IHP or in a separate submission to HUD.	24 CFR 1000.134 (b) 102(c)(4)(H) of NAHASDA				
Have a system in place to ensure that in any disposition sale of a CAS housing unit, a sale process designed to maximize the sale price will be used. However, where the sale is to a low-income Indian family, the home may be disposed of without maximizing the sale price so long as such price is consistent with a recipient’s IHP. ALSO, the system also ensures that the sale proceeds from the disposition of any housing unit is tracked and accounted for as program income under NAHASDA and may be used for any <i>housing or housing related</i> activity and is not subject to other federal requirements <u>[With the exception that proceeds from the sale homeownership units developed under the 1937 Act is not subject to Section 210 of NAHASDA and can be used for any housing activity, community facility or economic</u>	24 CFR 1000.134 (c) 24 CFR 1000.62 24 CFR 1000.64 24 CFR 1000.10 Q/A 42A in revision to the Transition Notice published in				

<i>development activity that benefits the community.]</i>	the Federal Register on April 1, 1999 (64 FR 15778)				
PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Useful Life Binding Commitments	24 CFR 1000.141				
<p>Have a system for ensuring the tribe/TDHE places a binding commitment (a written use restriction agreement), developed by the tribe/TDHE, and placed on an assisted property for the period of its useful life - the time period during which an assisted property must remain affordable, as defined in section 205(a) of NAHASDA.</p> <p>EXCEPTIONS to the Useful Life requirement:</p> <ul style="list-style-type: none"> ○ Mutual Help homes developed under the 1937 Act. ○ The transfer of a homeownership unit to a family member or household member is not subject to a binding commitment for the remaining useful life of the property. ○ Any subsequent transfer by the family member or household member to a third party (not a family member or household member) is subject to any remaining useful life under a binding commitment. 	<p>24 CFR 1000.141 -145</p> <p>2 CFR 200.316</p> <p>205(a) of NAHASDA.</p> <p>24 CFR 1000.145</p> <p>24 CFR 1000.146</p>				

PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Equipment	2 CFR 200.313				
<p>Have a management system in place which ensures:</p> <p>(1) Use of the equipment is for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project.</p> <p>(2) property is not encumbered without approval of the Federal awarding agency or pass-through entity.</p>	2 CFR 200.313 (a) (1-3)				
<p>Have a management system in place which ensures that when no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:</p> <ul style="list-style-type: none"> • Activities under a Federal award from the Federal awarding agency which funded the original program or project, then • Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems. 	2 CFR 200.313 (c)				
<p>Have a management system in place that makes equipment <u>available for use</u> on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. Availability given based</p>	2 CFR 200.313 (c) (2)				

PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p>on the following preferences;</p> <ul style="list-style-type: none"> o <u>first preference</u> for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and o <u>second preference</u> must be given to programs or projects under Federal awards from other Federal awarding agencies. o <u>Use for non-federally-funded programs</u> or projects is also permissible. User fees should be considered if appropriate. 					
<p>Have a management system in place (notwithstanding the encouragement in 2 CFR §200.307 to earn program income) which does not permit use of equipment acquired with the Federal award to provide services for a fee that is <u>less than private companies charge</u> for equivalent services unless specifically authorized by Federal statute for as long as the Federal government retains an interest in the equipment.</p>	2 CFR 200.313 (c) (3)				
<p>Have a management system in place that recognizes, when acquiring replacement equipment, the tribe/TDHE may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.</p>	2 CFR 200.313 (c) (4)				
<p>Have a management system in place for <u>managing equipment</u> (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place which meets the following</p>	2 CFR 200.313 (d) (1-4)				

PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p>requirements:</p> <ul style="list-style-type: none"> • <u>Property records</u> maintained that include: <ul style="list-style-type: none"> ○ a description of the property, ○ a serial number or other identification number, ○ the source of funding for the property (including the federal award ID number, ○ who holds title, ○ the acquisition date, and ○ cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, ○ the location, ○ use and condition of the property, and ○ any ultimate disposition data including the date of disposal and sale price of the property. • Ensures a <u>physical inventory</u> of the property is taken and the results reconciled with the property records at least once every two years. • A <u>control system</u> in place to ensure adequate safeguards to prevent loss, damage, or theft of the property. And requires any loss, damage, or theft to be investigated. • Adequate <u>maintenance procedures</u> have been developed and implemented to keep the property in good condition. 					

PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p>Have a management system in place for the <u>disposition of equipment</u> (when original or replacement equipment acquired is no longer needed for the original project) which ensures:</p> <ul style="list-style-type: none"> o Tribe/TDHE requests disposition instructions if required by the terms and conditions of the Federal award o that proper sales procedures are established to ensure the highest possible return. o that all sale proceeds from the disposition of any equipment acquired under the Indian Housing Block Grant is tracked and accounted for as <i>program income</i> under NAHASDA. 	<p>2 CFR 200.313 (e)</p> <p>2 CFR 200.313 (d) (5)</p> <p>24 CFR 1000.26 (8)</p>				
Supplies	2 CFR 200.314				
<p>Has a management system that recognizes that the title to <i>supplies</i> vest in the tribe/TDHE upon acquisition, and if there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the tribe/TDHE must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal government for its share. Since the amount of compensation must be computed in the same manner as for equipment (per 2 CFR §200.313 Equipment, paragraph (e)(2)) for the calculation methodology, and as provided under 24 CFR 1000.26 (a)(9), ensure that all sale proceeds from the disposition of any supplies acquired under the Indian Housing Block Grant is tracked and accounted for as <i>program income</i>.</p>	<p>2 CFR 200.314 (a)</p> <p>24 CFR 1000.26 (a) (9)</p>				

PROPERTY STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Has a management system for <i>supplies</i> -- as long as the Federal government retains an interest in the supplies-- that <u>does not permit the use of supplies</u> acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.	2 CFR 200.314 (b)				
In the accounting of materials and supplies costs, including costs of computing devices, ensure that: <ul style="list-style-type: none"> o Purchased materials and supplies must be charged at their actual prices, net of applicable credits. o Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. o Incoming transportation charges are a proper part of materials and supplies costs. o Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. o Where federally-donated or furnished materials are used in performing the Federal award, such materials will be used without charge. 	2 CFR 200.453				

PROCUREMENT STANDARDS:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
General procurement standards	2 CFR 200.318				
The tribe/TDHE has its own documented procurement procedures which at a minimum meet and implement the 11 federal procurement standards of 2 CFR 200.318 (a-k)					
Competition	2 CFR 200.319				
The procurement management system ensures all procurement transactions are conducted in a manner providing <u>full and open competition</u> . Procurement system ensures that at a minimum that the 7 situations considered to be restrictive of competition (as listed in 2 CFR 200.319 (a) (1-7)) will not occur.	2 CFR 200.319 (a)				
In order to ensure objective contractor performance and eliminate unfair competitive advantage, the procurement management system ensures that contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals, <u>are excluded</u> from competing for such procurements.	2 CFR 200.319 (a)				
The procurement management system ensures that procurements are conducted in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference, <u>OR</u>	2 CFR 200.319 (b)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
when contracting for architectural and engineering (A/E) if it leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.					
<p>The procurement management system includes <u>written procedures</u> for procurement transactions that ensures that all solicitations:</p> <p>(1) Incorporate a <u>clear and accurate description of the technical requirements</u> for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and</p>	2 CFR 200.319 (c) (1-2)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
(2) <u>Identify all requirements</u> which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.					
The procurement management system ensures that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition, AND does not preclude potential bidders from qualifying during the solicitation period.	2 CFR 200.319 (d)				
Methods of procurement to be followed	2 CFR 200.320				
The procurement management system ensures that one of the following methods of procurement are followed: Procurement by micro-purchases: aggregate dollar amount of which does not exceed \$5,000 for IHBG purchases, \$3,000 for other federal funds (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). Awarded without soliciting competitive quotations if the price is determined to be reasonable. Procurement by small purchase procedures: relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (currently \$150,000). Price or rate quotations must be obtained from an adequate number of qualified sources.	2 CFR 200.320 (a) 24 CFR 1000.26 (11)(i) NAHASDA Section 203(g) 2 CFR 200.320 (b)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p>Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The procedure ensures that the sealed bid method is the preferred method for procuring construction, if the <u>3 conditions</u> in paragraph 2 CFR 200.320 (c)(1) are met.</p> <p>ALSO, if sealed bids are used, the management system <u>ensures the following requirements will apply</u>:</p> <ul style="list-style-type: none"> ○ The invitation for bids will be <u>publicly advertised</u> and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids; ○ The invitation for bids, which will include any <u>specifications and pertinent attachments</u>, <u>must define the items or services</u> in order for the bidder to properly respond; 	<p>2 CFR 200.320 (c)</p> <p>2 CFR 200.320 (c)(1)(i-iii)</p> <p>2 CFR 200.320 (c)(2)(i-v)</p>				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<ul style="list-style-type: none"> ○ All bids will be <u>publicly opened</u> at the time and place prescribed in the invitation for bids; ○ A firm fixed price contract award will be made in writing to the <u>lowest responsive and responsible bidder</u>. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and ○ Any or all bids <u>may be rejected</u> if there is a sound <u>documented reason</u>. <p>Procurement by competitive proposals: when conditions are not appropriate for the use of sealed bids and normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. If this method is used, the procurement management system <u>ensures the</u></p>	2 CFR 200.320 (d)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p><u>following 5 requirements apply:</u></p> <ul style="list-style-type: none"> ○ Requests for proposals must be <u>publicized and identify all evaluation factors</u> and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical; ○ Proposals must be solicited from an <u>adequate number of qualified sources</u>; ○ The tribe/TDHE must have a <u>written method for conducting technical evaluations</u> of the proposals received and for selecting recipients; ○ Contracts must be awarded to the responsible firm whose proposal is <u>most advantageous to the program, with price and other factors considered</u>; and ○ Procedures provide for use of competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services 	2 CFR 200.320 (d) (1-5)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, <u>where price is not used as a selection factor, can only be used in procurement of A/E professional services</u> . It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.					
<p><u>Procurement by noncompetitive proposals:</u> Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following 4 circumstances apply:</p> <ul style="list-style-type: none"> ○ The item is available only from a single source; ○ The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; ○ The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or ○ After solicitation of a number of sources, 	2 CFR 200.320 (f) (1-4)				

competition is determined inadequate.					
PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.	2 CFR 200.321				
The procurement management system ensures that the <u>6 affirmative steps of §200.321(b) (1-6)</u> are taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.	2 CFR 200.321 (b) (1-6)				
Tribal or Indian preference requirements applicable to IHBG	24 CFR 1000.52 Section 101(k) of NAHASDA				
The procurement management system <u>applies tribal employment and contract preference laws</u> (including regulations and tribal ordinances) adopted by the Indian tribe that receives a benefit from funds granted to the recipient under NAHASDA.	24 CFR 1000.52 (a)				
IF THE TRIBE DOES NOT HAVE applicable employment and contract preference laws, the procurement management system ensures that its adopted policies and procedures provide preference in procurement activities consistent with the requirements of section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)), <u>which has been certified to HUD.</u>	24 CFR 1000.52 (b) and (c) (1) (i)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
IF THE TRIBE/TDHE DOES NOT HAVE adopted policies certified to HUD for Indian preference, the procurement management system ensures that the tribe/TDHE will only advertise for bids or proposals limited to qualified Indian organizations and Indian owned enterprises, <u>OR</u> will follow the two-stage preference procedure of 24 CFR 1000.52 (c) (1) (iii)	24 CFR 1000.52 (c) (1) (ii) and (iii)				
The procurement management system ensures that the 7(b) clause <u>is incorporated in each contract</u> awarded in connection with a project funded under the IHBG, and ensures that compliance with 7 (b) is passed on to every contractor and sub-contractor.	24 CFR 1000.52 (c) (6)				
The procurement management system recognizes that the 7 (b) Indian preference requirements <u>do not apply</u> with respect to any procurement, using a grant provided under NAHASDA, of goods and services with a value less than \$5,000.	24 CFR 1000.52 (d)				
The procurement management system prescribes procedures that comply with 24 CFR 1000.54 for <u>handling complaints</u> that arise from the method they follow in providing for Indian preference?	24 CFR 1000.54				
Contract cost and price	2 CFR 200.323				
The procurement management system ensures that a <u>cost or price analysis</u> is performed in connection with every procurement action in excess of the Simplified Acquisition Threshold (currently \$150,000) including	2 CFR 200.323 (a)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, an independent estimate is done <u>before receiving bids or proposals.</u>					
The procurement management system ensures that <u>profit is negotiated as a separate element</u> of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.	2 CFR 200.323 (b)				
The procurement management system ensures that costs or prices based on estimated costs for contracts under the Federal award <u>are allowable only to the extent</u> that costs incurred or cost estimates included in negotiated prices would be allowable under Subpart E— Cost Principles of 2 CFR 200.	2 CFR 200.323 (c)				
The procurement management system ensures that the <u>cost plus a percentage of cost</u> and percentage of construction cost methods of contracting <u>must not be used.</u>	2 CFR 200.323 (d)				
Bonding requirements	2 CFR 200.325				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p>The procurement management system ensures that for construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the minimum requirements for performance and payment assurance must be as follows:</p> <ul style="list-style-type: none"> • <u>A bid guarantee</u> from each bidder equivalent to <u>five percent</u> of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. • <u>A performance bond</u> on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract. • <u>A payment bond</u> on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. <p>OR, in the alternative, in circumstances under which</p>	2 CFR 200.325 (a-c)				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<p>these bonding requirements are inconsistent with other responsibilities and obligations of the tribe/TDHE, the procurement management system provides that acceptable methods to provide performance and payment assurance may include:</p> <ul style="list-style-type: none"> • Deposit with the tribe/TDHE of a cash escrow of not less than 20 percent of the total contract price, subject to reduction during the warranty period, commensurate with potential risk; • Letter of credit for 25 percent of the total contract price, unconditionally payable upon demand of the recipient, subject to reduction during any warranty period commensurate with potential risk; or • Letter of credit for 10 percent of the total contract price unconditionally payable upon demand of the recipient subject to reduction during any warranty period commensurate with potential risk, and compliance with the procedures for monitoring of disbursements by the contractor. 	24 CFR 1000.26 (a) (12)				
Contract provisions	2 CFR 200.326				
The procurement management system ensures that the tribes/TDHEs contracts contain the applicable provisions described in Appendix II to 2 CFR Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.	2 CFR 200.326				

PROCUREMENT STANDARDS: (cont.)					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
The procurement management system ensures that no contract award is made to parties listed on the government wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), “Debarment and Suspension.” The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.	24 CFR 1000.44 2 CFR 200 Appendix II (i)				

PERFORMANCE AND FINANCIAL MONITORING AND REPORTING:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Financial reporting.	2 CFR 200.327				
A management system that ensures that the tribe/TDHE completes and submits the Federal Financial Report (FFR) Standard Form 425 per quarter for each 12-month program year. The 1st, 2nd and 3rd quarterly reports must be submitted no later than 30 days after the end of the calendar quarter. The 4th quarterly report is due 90 days after the end of the 4th quarter. The 4th quarterly report is the final report for the recipient's 12-month program year.	HUD ONAP Program Guidance No. 2015-04				
Monitoring and reporting program performance	200.328 (a)				
A management system which ensures that the tribe/TDHE, as recipient of IHBG funds, <u>monitors each program, function or activity</u> under Federal awards to assure compliance with applicable Federal requirements and to ensure performance expectations are being achieved.	2 CFR 200.328 (a) 24 CFR 1000 Subpart F				
A management system which ensures that the tribe/TDHE <u>prepares, at least annually:</u> <ul style="list-style-type: none"> • a compliance assessment in accordance with section 403(b) of NAHASDA; • a performance report covering the assessment of program progress and goal attainment under the IHP [submitted within 	24 CFR 1000.502 (a) ONAP PG No. 2014-11 & 2015-03				

RECORD RETENTION AND ACCESS:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Retention requirements for records					
A records management system which ensures that financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be <u>retained for a period of three years</u> from the from the end of the tribal program year during which the funds were expended.	24 CFR 1000.552 (a-b)				
A records management system which ensures that if <u>any litigation, claim, or audit</u> is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.	24 CFR 1000.552 (c)				
Access to records					
A records management system which ensures that HUD and the Comptroller General of the United States, and any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of recipients which are pertinent to NAHASDA assistance, in order to make audits, examinations, excerpts, and transcripts. And further, that this right of access lasts as long as the records are maintained.	24 CFR 1000.554				

RECORD RETENTION AND ACCESS:					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Restrictions on public access to records					
<p>A records management system which recognizes that with the exception of applicable State and tribal access laws, the Freedom of Information Act (5 U.S.C. 552) (FOIA) does not apply to tribe/TDHE records.</p> <p>Also the records management system recognizes that with the exception of applicable State and tribal access laws, the <u>Federal Privacy Act does not apply</u> to tribe/TDHE records.</p> <p>HOWEVER, the Federal Privacy Act of 1974 (5 USC § 552a) and the E-Government Act of 2002 (44 USC § 101) govern how Federal agencies gather, use, maintain, and disseminate personal information. Per ONAP PROGRAM GUIDANCE 2014-05(R), when ONAP requires personal information to address a specific performance or compliance issue (for example, the recipient may be requested to submit tenant information so that ONAP can verify participant eligibility) the personal information cannot be redacted. Documents containing personal information must be sent to ONAP in a manner that protects the personal information. When sending personal information to ONAP by the U.S. Postal Service, the records management system must ensure that the documentation is placed in two envelopes and states</p>	<p>24 CFR 1000.556</p> <p>24 CFR 1000.558</p> <p>ONAP Program Guidance No. 2014-05 (R)</p>				

the following on the inner envelope: To Be Opened by Addressee Only. If the recipient sends the documentation as an email attachment, the recipient can encrypt the file containing the scanned documents and send them to ONAP as an email attachment.					
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COST PRINCIPLES					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
The financial management system must ensure that the accounting practices of the tribe/TDHE must be consistent with 2 CFR 200 Subpart E Cost Principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.	2 CFR 200.400 (d)				
<p>In determining the allowability of costs, the financial management system ensures that cost meets the following general criteria:</p> <ul style="list-style-type: none"> • Be <u>necessary and reasonable</u> for the performance of the Federal award and be allocable thereto under these principles. • <u>Conform to any limitations</u> or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. • Be consistent with policies and procedures that <u>apply uniformly to both federally-financed and other activities of the non-Federal entity</u>. • Be <u>accorded consistent treatment</u>. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost. • Be determined in accordance with <u>generally accepted accounting principles (GAAP)</u>, except, for state and local governments and 	2 CFR 200.403				

COST PRINCIPLES					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
<ul style="list-style-type: none"> Indian tribes only, as otherwise provided for in this part. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. <u>EXCEPT</u>, under NAHASDA, IHBG funds may be used as matching funds to obtain and leverage funding, including any Federal or state program and still be considered an affordable housing activity. Be <u>adequately documented</u>. 	24 CFR 1000.122				
<p>The <u>written procedures</u> for determining the allowability of costs for IHBG expenditures, provide that all items of cost listed in 2 CFR 200.420 – 475 (GENERAL PROVISIONS FOR SELECTED ITEMS OF COST) which require prior Federal agency approval <u>are allowable without the prior approval of HUD to the extent</u> that they comply with the general policies and principles stated in the <i>Cost Principles</i> and are otherwise eligible under this part, <u>except for the following</u>:</p> <ul style="list-style-type: none"> Depreciation method for fixed assets shall not be changed without the approval of the Federal cognizant agency. 	24 CFR 1000.26 (b) (1- 2)				

<ul style="list-style-type: none">• Penalties, damages, fines and other settlements are unallowable costs to the IHBG program.• Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use), regardless of whether reported as taxable income to the employees (2 CFR 200.445) <u>requires HUD prior approval.</u>					
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AUDIT REQUIREMENTS					
STANDARDS DESCRIPTION	Regulation/ Statute Citation	Responsible Manager Compliance Rating (FC, PC, or NC)	Describe how this compliance standard is met/measured	Executive Director Rating	COMMENTS/ACTION PLANS
Audit requirements.	2 CFR 200.501				
A management system is in place which anticipates and plans for a Single audit when it <u>expends \$750,000 or more during the fiscal year in Federal awards</u> , or a program-specific audit conducted for that year in accordance with the provisions of 2 CFR 200.501	2 CFR 200.501 24 CFR 1000.544				
A management system which specifies the basis for determining Federal awards expended according to 2 CFR 200.502 (a-j).	2 CFR 200.502				
Auditee responsibilities.	2 CFR 200.508				
A management system which ensures the tribe/TDHE completes the following auditee responsibilities: <ul style="list-style-type: none"> Procure or otherwise arrange for the audit required by this part in accordance with §200.509 Auditor selection (which includes a review of the audit organization's peer 	2 CFR 200.509				

<p>review report) and to ensure Audit is properly performed and submitted when due in accordance with §200.512 Report submission.</p> <ul style="list-style-type: none">• Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510 Financial statements.• Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with §200.511 Audit findings follow-up, paragraph (b) and §200.511 Audit findings follow-up, paragraph (c), respectively.	<p>2 CFR 200.510</p> <p>2 CFR 200.511</p>				
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